## Message Text

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**UNCLAS BOMBAY 0145** 

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SUBJ: FOREIGN LICENSING OPPORTUNITY - REXNORD CO., MILWAUKEE, WIS. OPPORTUNITY NO.12-77-071

REF: STATE A-3924

- 1. PROPOSAL OF REXNORD COMPANY, MILWAUKEE, WISCONSIN, TO LICENSE ITS WATER TREATMENT EQUIPMENT AND ASSOCIATED PROCESSES IN INDIA WAS DISCUSSED WITH FIVE LOCAL FIRMS. THE FOLLOWING THREE ARE INTERESTED IN THE PROPOSAL AND SUGGESTED THAT REXNORD EXECUTIVES DURING THEIR VISIT TO BOMBAY IN FEBRUARY NEXT, CONTACT THEM FOR DETAILED DISCUSSIONS:
- 2. CANDY FILTERS (INDIA) LIMITED, MAHALAXMI CHAMBERS,
  22 BHULABHAI DESAI ROAD, BOMBAY 400 026 (CABLE: PONTIFEX;
  TELEX: 011-5594):ESTABLISHED IN 1929, THE FIRM TILL 1968
  WAS SUBSIDIARY OF THE PATERSON CANDY INTERNATIONAL LTD.,
  LONDON. IT WAS BOUGHT OVER BY A LOCAL FIRM IN 1969 BUT THE
  FIRM CONTINUED TO HAVE A LICENSING AGREEMENT WITH PATERSON
  TILL AUGUST 77 FOR MUNICIPAL WATER TREATMENT PLANTS. CANDY
  FILTERS HAS FABRICATING FACILITIES AT BOMBAY AND ANOTHER AT
  AURANGABAD IN WHICH IT MANUFACTURES SPECIALIZED ITEMS SUCH
  AS CHLORINATORS, METERING PUMPS, PRESSURE VESSELS, STEEL
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STRUCTURES FOR CLARIFIER BRIDGES, ETC. THE FIRM CLAIMS TO HAVE QUALIFIED PROFESSIONAL STAFF INCLUDING ERECTION TECHNICIANS, LABORATORY SPECIALISTS AND AFTER-SALE ENGINEERS.

3. MR. P.S. TENDOLKAR, CHIEF ENGINEER, CANDY FILTERS REPORTED TO US THAT HE HAD VISITED IN JULY 76 OFFICES OF

REXNORD INTERNATIONAL AND LATER ENVIREX (A REXNORD COMPANY) WHERE HE MET WITH MR. JOHN H. SPROULE, PRESIDENT AND MR. WILLIAM J. KATZ, VICE PRESIDENT,

DESEARCH & DEVELOPMENT.

MR. TENDULKAR HAD EXPRESSED INTEREST IN OBTAINING MANUFACT-URTING LICENSE OF REXNORD WATER TREATMENT PLANTS OF ALL TYPES BUT WAS ADVISED THAT REXNORD, AT THAT TIME DID NOT HAVE LICENSING PROGRAM FOR INDIA. HE WAS ADVISED TO CONTACT THE PATERSON CANDY INTERNATIONAL LTD., LONDON (CANDY FILTER'S PREVIOUS ASSOCIATES) WHICH HELD LICENSE OF REXNORD PRODUCTS. MR. TENDULKAR'S DISCUSSIONS WITH PATERSON WERE NOT CONCLUSIVE FOR BUSINESS REASONS. CANDY FILTERS CONTINUE TO BE INTERESTED IN OBTAINING REXNORD LICENSE.

4. G.R. ENGINEERING WORKS PRIVATE LIMITED, POONAM CHAMBERS, DR. ANNIE BESANT ROAD, WORLI, BOMBAY 400 018 (CABLE: GRENGINEER; TELEX: 011-3807 GRENG): THE FIRM IS ENGAGED IN FABRICATION OF CHEMICAL PLANTS, SUGAR PLANTS, PHARMACEUTICAL AND PROCESS MACHINERY AND INDUSTRIAL GRATINGS. IT HAS A LARGE PLANT IN BOMBAY AND ANOTHR FACTORY AT BANGALORE IN SOUTH INDIA. G.R. ENGINEERING IS SEEKING DIVERSIFICATION OF ITS PRODUCT RANGE AND HAS, AMONG OTHERS, CHOSEN WATER TREATMENT AND PROCESSING EQUIPMENT AS NEW LINES.

5. MR. V.M. KARVE, SALES MANAGER, INFORMED US THAT G.R. ENGINEERING IS INTERESTED IN REXNORD'S EQUIPMENT AND WOULD UNCLASSIFIED

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LIKE TO DISCUSS PROSPECTS OF MANUFACTURING THEM HERE.

6. LARSEN AND TOUBRO LTD., L&T HOUSE, BALLARD ESTATE, BOMBAY 400 038 (CABLE: LARSENBRO: TELEX: 011-2246): THE FIRM IS ONE OF THE LARGE ENGINEERING FIRMS IN THE COUNTRY WITH TWO FABRICATION SHOPS PRODUCING EQUIPMENT FOR CHEMICAL, FERTILIZER, PETROCHEMICAL, PHARMACEUTICAL, CEMENT, PAPER, ELECTRICAL EQUIPMENT AND STEEL INDUSTRIES. LARSEN AND TOUBRO ALSO HAS AN EXTENSIVE NETWORK OF BRANCHES THROUGHOUT THE COUNTRY AND IS RATED AS ONE OF THE BEST ENGINEERING FIRMS. A WTD REPORT ON THE FIRM WAS RECENTLY SUBMITTED.

7. MR. H.C. SETHNA, GENERAL MANAGER, LARSEN AND TOUBRO, WILL BE HAPPY TO MEET WITH REXNORD OFFICERS.

8. COMMENT: A PUBLICATION OF THE CHEMICAL PLANT AND MACHINERY ASSOCIATION, BOMBAY, HAS LISTED HINDUSTAN DORR-OLIVER LIMITED, BOMBAY, EIMCO - K.C.P. LCVITED, MADRAS, ION EXCHANGE LTD., BOMBAY, AND THE INDIAN SUGAR AND GENERAL ENGINEERING CORPORATION, YAMUNA NAGAR, HARYANA, AS AMONG THE LEADING LOCAL FIRMS ENGAGED IN THE SUPPLY OF

WASTE WATER TREATMENT PLANTS OFFERING BIOLOGICAL, CHEMICAL AND MECHANICAL CLEANING PROCESSES. THE FIRST THREE FIRMS HAVE EQUITY INVOLVEMENT OF DORR-OLIVER, STAMFORD, CONN., EIMCO CORP., SALT LAKE CITY, UTAH (AN ENVIROTECH CORP. SUBSIDIARY) AND PERMUTIT COMPANY OF U.K. RESPECTIVELY. ACCORDING TO AN INDUSTRY SOURCE, A LARGE NUMBER OF WATER TREATMENT PROJECTS OF STATE GOVERNMENTS, MUNICIPALITIES AND VARIOUS PUBLIC SECTOR ORGANIZATIONS ARE LIKELY TO BE TAKEN UP FOR IMPLEMENTATION IN THE NEAR FUTURE, SOME OF THEM WITH WORLD BANK AND IDA FINANCIAL ASSISTANCE. IN ADDITION, GOI IS PLANNING TO BRING FORTH AN ACT FOR CONTROL OF WATER POLLUTION WHICH IS EXPECTED TO EXPAND THE MARKET FURTHER. THE SOURCE FURTHER ADDED THAT THE WATER PROCESSING TECHNOLOGIES AVAILABLE WITHIN THE COUNTRY ARE UNCLASSIFIED

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CONSIDERED INADEQUATE TO MEET THE DEMAND AND GOVERNMENT OF INDIA IS LIKELY TO PERMIT FURTHER LICENSING OF APPROPRIATE NEW TECHNOLOGIES. IT IS REPORTED THAT TWO LARGE INDIAN FIRMS HAVE RECENTLY PURCHASED KNOW-HOW FROM THE BRITISH BABCOCK AND WILCOX (AN AJAX COMPANY, U.S. LICENSEE) AND WEST GERMAN LURGI RESPECTIVELY.

9. ACTION REQUESTED: WE WOULD APPRECIATE YOUR KEEPING US ADVISED OF THE ITINERARY OF REXNORD EXECUTIVES WHEN THEY VISIT INDIA NEXT MONTH. WE SHALL BE PLEASED TO PROVIDE THEM APPROPRIATE ASSISTANCE. PLEASE INDICATE WHETHER WTD REPORTS ON REQUESTED FIRMS ARE NEEDED. COURTNEY

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